



THE ATTORNEY GENERAL OF TEXAS

JOHN L. HILL
ATTORNEY GENERAL

AUSTIN, TEXAS 78711

May 17, 1973

Honorable Lindon Williams, Chairman
House Business and Industry Committee
Room 147B
Capitol Building
Austin, Texas

Letter Advisory No. 40

Re: Committee Amend-
ment to H. B. 1673
granting certain rule
making authority to
the Credit Union
Commissioner.

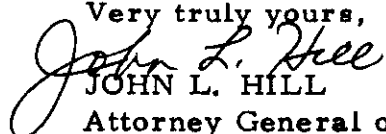
Dear Representative Williams:

You have requested our opinion on the constitutionality of the following amendment to H. B. 1673:

"Section 15. The Credit Union Commissioner, with the advice and approval of the Credit Union Commission, shall promulgate rules and regulations by January 1, 1974, requiring that all credit unions doing business in Texas shall provide deposit insurance for thier members and depositors."

The power of the legislature to delegate to state agencies the right to promulgate rules and regulations which have the effect of law has long been recognized in Texas. Railroad Commission of Texas v. Houston & T. C. R. Co., 38 S. W. 750 (Tex. 1897). However, some standards must be fixed by which the agency is to be guided. Housing Authority of City of Dallas v. Higginbotham, 143 S. W. 2d 79 (Tex. 1940); Southwestern Savings & Loan Association v. Falkner, 331 S. W. 2d 917 (Tex. 1960).

Although we see no serious deficiency in the proposed amendment, its constitutionality, if brought before a court sometime in the future, might be better assured if the amendment set some specific standards such as the general circumstances under which insurance is to be acquired and a description of the insurance.

Very truly yours,

JOHN L. HILL
Attorney General of Texas